FY05 IT BUDGET REVIEW PROCESS
(September 11, 2003)

BACKGROUND
The Information Technology (IT) Review process was instituted as a joint DTS/OMB venture in FY98 in response to:
- Council members and other key officials expressing the need for greater coordination of IT requests in the budget; and
- Department Directors citing the need for assistance in preparing and defending their IT budget requests.

The IT Review process addresses these issues by requiring all departments to examine their IT budget requests with DTS and OMB in advance of the department's budget submission to OMB. The main role of DTS is to work with the department to ensure that the proposal is:
- Technically feasible;
- Compatible with the County's IT strategy and architecture; and
- Estimated correctly for cost.

The output from the IT review is a technical and management assessment report provided to the department and OMB that includes DTS priority ratings for requests. DTS provides consultation and attends budget sessions with OMB, the County Executive, and County Council, as requested.

Beginning this fiscal year, IT Review will become a year-round process that will allow DTS to focus on ways to address alternative funding solutions, including in-house development of department application requests and enterprise approaches to reduce costs (e.g., purchasing a large, single server to handle several new server requests).

SCOPE OF REVIEW
Please note that the scope of the IT Review will no longer include dollar thresholds for IT submissions, because DTS will be looking to find alternative solutions to implement all IT requests.

IT projects subject to review are listed below.

General Requests
- **Non-tax supported (including Grant funded) IT projects** must be reviewed.

- **Interdepartmental Requests**. A request involving IT expenditures for the benefit of two or more departments.

- **An Application that requires an interface with Enterprise/County-Wide Systems**: e.g., eMessaging and Active Directory, Remote access, eMontgomery (eGovernment), Data Warehousing, Imaging/Electronic Document Management.

Specific Request Types
- **Applications**. The acquisition of hardware, commercial off-the-shelf software (COTS), and/or services to implement a new, enhance, or replace a departmental IT application

- **Internet**. <u>Any</u> hardware, software, or services to be acquired to establish or expand Internet, intranet, or extranet applications or Web pages.

- **Document Management.** New hardware, software, or services to establish or expand a document management system.

- **Geographic Information Systems (GIS)**. GIS workstation or server, Global Positioning System (GPS), scanning, or integration device, GIS software license (e.g., ARC/INFO, ArcView), or GIS application.

- **PCs/Laptops**. Any _new_ personal computers (i.e., PCs that are not replacing existing PCs) or laptops. *Replacement PCs will be purchased using Desktop Computer Modernization (DCM) funds and should not be submitted for review or budgeted within departments.*

- **Networks/Servers**. New LAN or major upgrade, including any server acquisition.

- **Network Devices**. Routers, gateways, bridges, network switches and similar devices, including "firewalls," and other security devices.

- **New Telephone Systems**. Private Branch Exchange (PBX) system, interactive voice response (IVR) system, computer telephony integration (CTI) application, or similar system. *Does not include moves, adds and changes of telephone instruments, telephone service charges, or telephone systems to be included within a CIP facilities project.*

- **Videoconferencing**. Videoconferencing hardware, software or services.

- **Wireless Systems**. Wireless local area networks (LAN) and hand-held devices (e.g., PDAs).

- **Information Technology Staff**. Addition of any new County IT position (e.g., IT Technicians, IT Specialists, Technology Experts), including an increase in workyears (and associated dollars) to an existing IT staff position.

- **Professional Services**. Professional services for IT purposes.

- **Other Major Expenditures**. Other IT expenditures (e.g., training services, system maintenance, increased number of licenses).

- **Examples of Items that __SHOULD NOT BE SUBMITTED__**: Printers, other computer peripherals, replacement mobile and portable radios, items with embedded computer chips (e.g., robots, elevators).

IT REVIEW PROCESS
The IT Review process consists of eight steps, and there may be several iterations of consultation and review within steps. Although the schedule applies only to FY05 Operating Budget preparation, many of the same steps are relevant for IT Requests received outside the normal budget cycle.

1. **Department/DTS/OMB Points of Contact** (Completed prior to IT Kickoff). Each department designates point(s) of contact to coordinate the preparation of the department's IT Requests. Preferably, this includes both a department IT and administrative contact to cover the technical aspects as well as a person responsible for producing and coordinating the department's entire budget request.   In addition, DTS assigns an Account Manager for each department to work with the appropriate OMB Analyst to coordinate and review IT budget submission requests.

2. **IT Review Kickoff Meeting** (September 11, 2003, 2:30 – 4:00 p.m., EOB LOBBY AUDITORIUM). OMB and DTS will lead a discussion on looking ahead to next year's fiscal pressures, an update on countywide IT enterprise approaches and strategies, and changes to the FY05 IT budget review process. Department staff will also have an opportunity to meet their DTS Customer Requirements Team (CRT) Account Managers and OMB Analysts.

3. **Department Submission of IT Requests** (Staggered deadlines between September 18 and October 2, 2003). Using the new web-based IT Intake and Request Process System (ITIRPS), departments will provide information about their FY05 IT Budget Requests and prioritize their requests. The department director will also sign and submit a hard copy report verifying the prioritization of their requests to the CRT Account Manager.

4. **DTS Preliminary Review - Phase I** (September 19 – October 28, 2003). The DTS Account Manager will contact the lead department IT or Administrative representative to schedule a review session(s) that should include: the DTS Account Manager; OMB Analyst for the department; the OMB General IT Coordinator, Charles Goldsmith; the department IT and Budget Administrative representatives; and other appropriate department program staff that understand the business aspect for major new requests. The purpose of these meetings will be to: discuss department IT strategies and priorities; ensure that enough information has been provided from the department to support the request's business case and technical solution; and go over issues such as feasibility, risk assessment, cost/benefits, impacts, etc. Additional review sessions may need to be scheduled to ensure full review of the department's top priorities. CRT Account Managers in consultation with the OMB Analyst will write up comments in ITIRPS and provide preliminary DTS priority ratings.

5. **DTS Experts Review Panel - Phase II** (October 29 – October 31, 2003). Separate DTS Expert Panels will be convened to discuss only those department requests within their area of expertise. In addition to providing technical input on the proposal, the Expert Panels will be looking to identify patterns across departments and determine if a single enterprise or thematic solution can address many department-specific proposals more efficiently and for less cost. The Expert Panels will either confirm or revise the preliminary DTS priority rating assigned by the CRT Account Manager and OMB Analyst. CRT Account Managers will update IT request comments accordingly in ITIRPS based on Expert Panel comments.

6. **DTS Senior Management Review Panel – Phase III** (November 5 – November 6, 2003). The Chief Technology Officer (CTO) and DTS Senior Management will convene to finalize DTS priority ratings and any changes to funding or staffing levels. In addition, the Panel will determine if it wants to create a single DTS enterprise proposal (in consultation with departments) as a way to handle a series of like-department requests for submission to OMB. A follow-up session with the Chief Information Officer (CIO) will be convened to discuss the results of the review sessions. At the completion of the Senior Management review, a DTS technical and management assessment report, including final DTS priority ratings, will be signed by the CTO and provided to the department (and OMB) two to four weeks prior to their OMB budget submission deadline. If a department disputes one or more of the priority ratings, the Department Director may request a meeting with the CIO for discussion and reconsideration of their IT Requests.

7. **Submission of FY05 Operating Budget** (November 18 – December 12, 2003). Departments submit budget proposals to OMB based on formats and schedules established by OMB. Departments are required to provide the ITIRPS Reference ID number for each IT request submitted in its budget, allowing OMB to reference the item in the DTS technical and management assessment report and track submissions throughout the budget process.

8. **Post Department Budget Submission Review** (December 2002 - May 2003). Following department budget submissions, OMB may request DTS to conduct a review of an IT request on an exceptional basis for: 1) significantly modified proposals at the time of budget submission; 2) a new IT request that has not gone through the DTS IT Review Process; or 3) proposals that had gone through a "lite" review process by DTS based on the department's initial priority, but now has been given a high priority designation by OMB based on new circumstances (e.g., CE priority). During the budget season, DTS also consults on IT matters, as needed, with the department, OMB, County Executive, and the County Council.
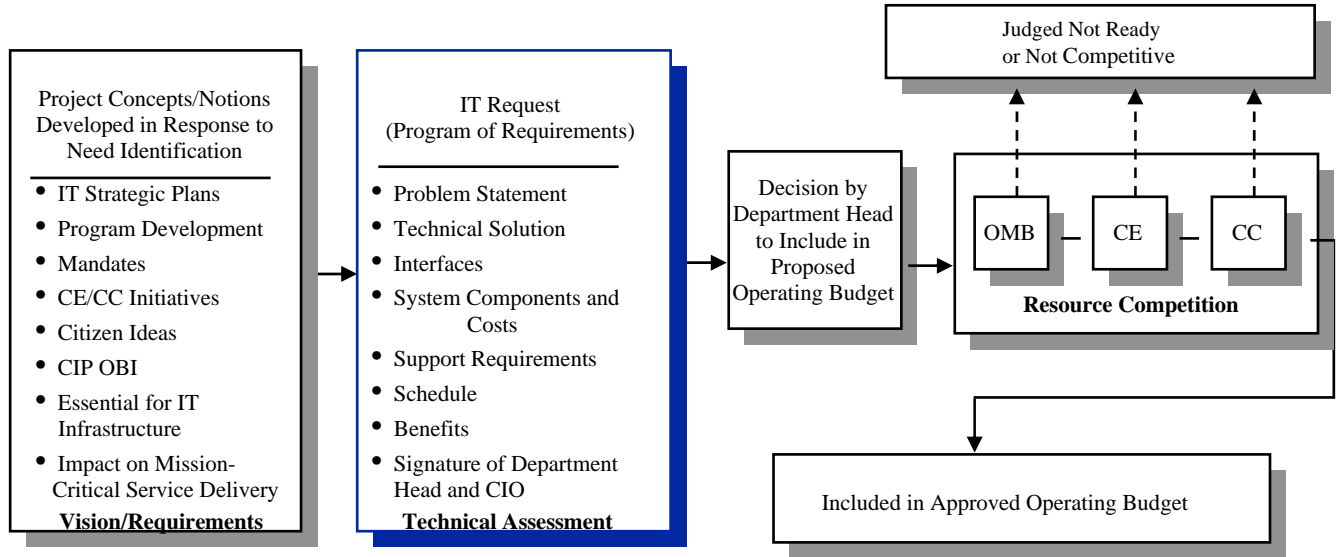
DTS PRIORITY RATINGS

The DTS priority ratings scale emphasizes the following: first, the maintenance of existing, critical, and newly acquired IT applications and infrastructure; second, enterprise IT issues; and finally, cost savings and enhancement projects. Some interplay occurs between the DTS priority ratings and the OMB priority assigned to items in the overall budgeting process (e.g., High, Medium, Low). In general, items which have a DTS priority rating of 1 through 4 should rank high. However, projects that can show a net cost savings, high cost avoidance, or significant direct service enhancement for citizens may also rank high in the budget process. The priority categories are described below.
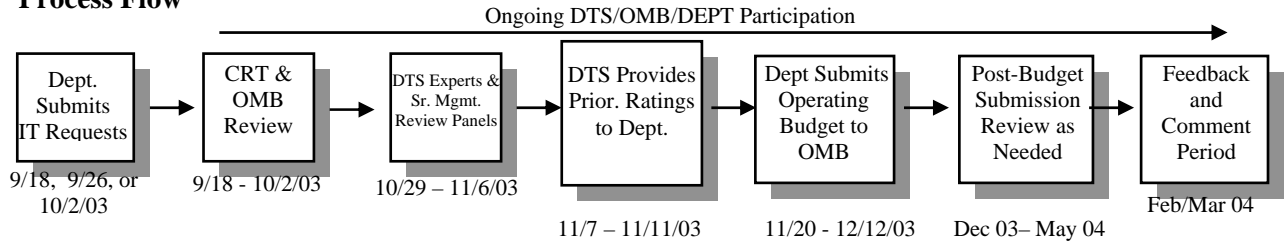
OMB/DTS Priority Ratings Assigned to IT Budget Requests

Rating	Priority	Rationale
1	**Required Maintenance**	Required by contract or for proper operation of an existing, mission critical asset. (e.g., contractually required maintenance)
2	**CIP OBI**	Needed to properly implement an approved CIP initiative. (e.g., operating costs for implementation of a CIP IT project)
3	**Critical Performance Issue**	Failure to accomplish will either continue or create a deficiency in the operation of a mission critical system or business process. (e.g., upgrade of critical network equipment; fix for a problem in a mission-critical application or system).
4	**Enterprise Performance Issue**	Failure to accomplish will either continue or create a deficiency in the operation of an important system or business process. (e.g., upgrade important systems for growth)
5	**Departmental/Enterprise Support**	Supports a departmental or enterprise need. (e.g., basic upgrade or upgrade to a department-specific system)
6	**Cost Savings/Avoidance**	Yields cost saving or avoidance. Projects in this category that commit to cost savings equal to the project's cost within two years will be given highest priority.
7	**Enhances Service**	Enhances an operation, addresses the need to "get ahead of the curve," future-thinking proposals. (e.g., web-based applications).
8	**Under Review**	The initiative is not ready for competition (e.g., further details, concept review, coordination, or resolution of conflict with enterprise/other efforts is needed).

FY05 IT BUDGET PROCESS OVERVIEW

Project Concepts/Notions Developed in Response to Need Identification

- IT Strategic Plans
- Program Development
- Mandates
- CE/CC Initiatives
- Citizen Ideas
- CIP OBI
- Essential for IT Infrastructure
- Impact on Mission-Critical Service Delivery

Vision/Requirements

IT Request (Program of Requirements)

- Problem Statement
- Technical Solution
- Interfaces
- System Components and Costs
- Support Requirements
- Schedule
- Benefits
- Signature of Department Head and CIO

Technical Assessment

Decision by Department Head to Include in Proposed Operating Budget

Judged Not Ready or Not Competitive

| OMB | CE | CC |

Resource Competition

Included in Approved Operating Budget

Process Flow

Ongoing DTS/OMB/DEPT Participation

| Dept. Submits IT Requests | CRT & OMB Review | DTS Experts & Sr. Mgmt. Review Panels | DTS Provides Prior. Ratings to Dept. | Dept Submits Operating Budget to OMB | Post-Budget Submission Review as Needed | Feedback and Comment Period |

9/18, 9/26, or 10/2/03   9/18 - 10/2/03   10/29 – 11/6/03   11/7 – 11/11/03   11/20 - 12/12/03   Dec 03– May 04   Feb/Mar 04

IT REQUEST GUIDELINES
(Information to be addressed by Departments in completing ITIRPS submissions)

This guide is intended to help departments prepare text to be placed in the Problem Definition/Project Description boxes in the IT Intake and Request Process System (ITIRPS). Note: Not all the questions below are relevant for every IT request, but please attempt to address the ones that are.

I.   Consistency with IT Strategy
1.   Is this request consistent with the Enterprise IT Strategy?
2.   Does the department have its own IT strategic plan? If so, how does this request fit within it?
3.   Does this request duplicate or overlap a DTS-provided (enterprise) service? If so, what distinguishes it and makes it necessary to the department?

II.   Problem or Opportunity
4.   In functional or business terms what will the proposed system do? (i.e., what problem or opportunity it addresses, who benefits and how)
5.   How does this request fit within the department's business strategy?
6.   Is the request based on an executive or legislative mandate at the County, State, or Federal level? Describe the requirements of the mandate and penalties incurred for failure to comply.
7.   What are the business risks if the request is not funded? What are the alternatives if the threats do occur?
8.   Is this a request for something new or is it a replacement or major upgrade?

III.   Technical Solution
9.   Provide a general description of the technical solution to the problem. Show clearly how the solution addresses the business problem or opportunity.
10. Is the technical solution consistent with current IT standards?
11. If COTS is not proposed, has consideration been given to a COTS solution? What were the issues/criteria used in the selection of the method being proposed?
12. If the technology proposed is new to the County, has the department piloted the technical solution?
13. Is this technology risky (e.g., limited market, developer overseas, proprietary technology, first version to market, lack of third party support)? If so, how will technical risks be mitigated?
14. Does the solution use older technology? Would more recent technology be a better choice?
15. Does the approach set a precedent for MCG (e.g. outsourcing of a core service)?
16. Has the department delineated the risks involved if the request is funded? How does it plan on mitigating (reducing the impact) of those identified threats?

IV.   Collaboration
17. Who are the stakeholders? Did the requirements definition involve appropriate stakeholders?
18. Has the request been previously discussed with a DTS staff person? If not, be sure to include appropriate DTS staff in the work session (e.g., subject matter experts).
19. Do other internal service departments need to be involved (e.g., DPWT-Facilities for a new office)?
20. Are other departments known to be interested in a similar project? If so, consider collaborative planning sessions, as appropriate.
21. If a formal or informal solicitation is anticipated, has there been any consultation with the Office of Procurement?

V.   Specifications
22. Provide brief technical specifications for hardware, software, telecommunications, interfaces, maintenance, professional services, staffing, and training, as appropriate.

23. Are the specifications consistent with current IT standards?
24. Has the hardware been appropriately sized?
25. Has the number of software licenses been properly calculated?
26. Describe the system interfaces required (e.g., LAN/WAN, telephone/voice processing, DTS/ department/external servers or systems, mainframe systems).
27. Have all aspects of maintenance been accounted for (e.g., hardware break/fix, software break/fix, software upgrades)?
28. Will this system function 24 x 7 or after regular business hours? If the system is critical to the department's functions, has the need for redundancy and disaster recovery been considered?
29. Has the security of the system been addressed?
30. Has the department identified staff that will manage and monitor the system?
31. If additional IT staffing is requested, describe the quantity and type of work to be performed. If the activities overlap with existing department IT or DTS staff activities, indicate why additional staffing is needed. Ensure that the IT position chosen is appropriate for the type of work to be performed (i.e., review the OHR position description for that title).
32. If professional services are requested, is the hourly rate in line with the DTS Professional Services Contracts? If it is higher, provide justification for the higher rate.
33. Have initial and ongoing user training requirements been identified? Is training required for technical staff?

VI.   Costs/Benefits
34. Describe in detail the costs of this request. Estimate all operating costs over a 6-year period using the *IT Review Costs and Benefits Worksheet.*
35. Is the cost stated for the entire project or is it a continuation of funding from a prior year or CIP OBI? What investment has been made to date?
36. Has the department explored methods to spread costs over other years through phasing or other funding alternatives?
37. Describe the benefits of the proposed project and state how success will be measured. Categorize the benefits as cost savings, cost avoidance, increased revenue, improved service to citizens or improved service to internal customers. Include estimated cost savings, cost avoidance, and/or increased revenue over a 6-year period in *IT Review Costs and Benefits Worksheet.*

VII.   Schedule/Phasing
38. Provide a project schedule showing major milestones, start and end dates, and department/DTS staff/professional services resources to be allocated. If the request is a continuation of earlier work, completed milestones should be indicated. A Gantt chart (e.g., using MS Project) is preferred, but not required.
39. If department or DTS staff resources are required, will they be available to handle this request when it is scheduled to execute? Should additional department or DTS resources be requested?
40. If professional services are required, does the schedule include development of a statement of work for contractor services? Has staff been identified to manage and monitor the contractor's work?
41. Has the appropriate procurement method been chosen or feasible options identified (e.g., RFP, task order, bridge contract)? Has the department considered the DTS Professional Services Contract to reduce time spent on an extensive procurement?
42. Are procurement activities included in the project schedule?
43. Is the timing of this request appropriate? Are funds actually needed before FY04 begins or after the start of FY05?
44. Is this request dependent upon the granting of another request?
45. Has the department considered various ways of staging this work?
46. Is the project appropriately phased with other department or enterprise projects?
47. Is the schedule realistic (i.e., a high probability of completing on time within budget)?